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**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re:

USA COMMERCIAL MORTGAGE  
COMPANY,

USA CAPITAL REALTY ADVISORS,  
LLC,<sup>1</sup>

USA CAPITAL DIVERSIFIED TRUST  
DEED FUND, LLC,

USA CAPITAL FIRST TRUST DEED  
FUND, LLC,<sup>2</sup>

USA SECURITIES, LLC,<sup>3</sup>

Debtors.

**Affects:**

- ☐ All Debtors  
☒ USA Commercial Mortgage Company  
☐ USA Capital Realty Advisors, LLC  
☐ USA Capital Diversified Trust Deed Fund, LLC  
☐ USA Capital First Trust Deed Fund, LLC  
☐ USA Securities, LLC

Case No. BK-S-06-10725-LBR  
Case No. BK-S-06-10726-LBR<sup>1</sup>  
Case No. BK-S-06-10727-LBR  
Case No. BK-S-06-10728-LBR<sup>2</sup>  
Case No. BK-S-06-10729-LBR<sup>3</sup>

**CHAPTER 11**

Jointly Administered Under Case No.  
BK-S-06-10725 LBR

**DECLARATION OF GEOFFREY L.  
BERMAN IN SUPPORT OF  
OMNIBUS OBJECTIONS OF  
USACM TRUST TO PROOFS OF  
CLAIM BASED UPON  
INVESTMENT IN THE OAK  
SHORES II LOAN**

Date of Hearing: May 9, 2011  
Time of Hearing: 2:00 p.m.  
Estimated Time for Hearing: 10 minutes

Geoffrey L. Berman declares under penalty of perjury:

1. I am an adult person competent to testify in court.
2. I make this declaration based upon my personal knowledge, and upon the records USA Commercial Mortgage Company.

<sup>1</sup> This bankruptcy case was closed on September 23, 2008.

<sup>2</sup> This bankruptcy case was closed on October 12, 2007.

<sup>3</sup> This bankruptcy case was closed on December 21, 2007.

1           3.     I am the Trustee of the USACM Liquidating Trust (“USACM Trust”), which  
2     is an entity created by the Debtors’ Third Amended Joint Chapter 11 Plan of  
3     Reorganization (“Plan”), in the jointly-administered bankruptcy cases, In re USA  
4     Commercial Mortgage Company, BK-S-06-10725-LBR, pending in the United States  
5     Bankruptcy Court for the District of Nevada

6           4.     In or around November 2005, USACM circulated an Offer Sheet to  
7     prospective Direct Lenders soliciting funding for an acquisition and development loan to a  
8     borrower identified as “John and Carol King” for a project generally known as Oak Shores  
9     II, which consists of 343 lots near Paso Robles, California. A copy of the undated Offer  
10    Sheet is attached hereto as **Exhibit B** and incorporated by this reference.

11          5.     On June 6, 2005, Borrower made and delivered to various lenders, including  
12    the Direct Lenders identified in **Exhibit A**, a “Promissory Note Secured by Deed of Trust”  
13    (the “Note”) and a Construction Loan Agreement. The Note and Loan Agreement  
14    provided for a loan in the initial principal amount of \$7,725,000. Pursuant to subsequent  
15    amendments to the Note and Loan Agreement, and as expressly permitted by the Loan  
16    Agreement, the amount of the loan was eventually increased to \$15,150,00. The Note was  
17    secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing  
18    (the “Deed of Trust”) that was recorded in the official records of San Luis Obispo County,  
19    California on July 1, 2005. Subsequent loan advances were secured by amendments to the  
20    Deed of Trust, and were likewise recorded in the official records of San Luis Obispo  
21    County.

22          6.     According to USACM’s business records, during this bankruptcy case  
23    through the transfer of servicing to Compass, USACM treated the Direct Lenders with  
24    respect to any interim payments by the borrower in accordance with this Court’s orders  
25    and the confirmed Plan.

26    .

1 I declare under penalty of perjury that the foregoing is true and correct.

2 Dated: April 11, 2011

3  
4 /s/Geoffrey L. Berman

Geoffrey L. Berman

5 Copy of the foregoing (without exhibits)  
6 mailed by first class postage prepaid  
7 U.S. Mail on April 11, 2011 to the  
8 investors in the Oak Shores II loan listed  
9 on Exhibit A.

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s/ Marie Mancino

Marie Mancino

Lewis and Roca LLP